

## BRIEFING Q&A: Northeast Denver Housing Center, Inc. – Central Park II Apartments

**What is this project?** Central Park II Apartments, a 90-unit affording housing development, is located at the northeast corner of Central Park Blvd. and E. Prairie Meadow Dr. in the Central Park neighborhood within walking distance to employment centers, commercial services and retail, highly rated schools, healthy living amenities, and public transit. With eighteen one-bed, thirty-six two-bed, and thirty-six three-bed units, Central Park II Apartments will provide affordable housing to households making 30% to 60% of the area median income (AMI). Forty percent of the units will be for households earning at or below 30% AMI and 87% percent of the units will serve households earning below 50% AMI. A City Covenant will be recorded on the property securing affordability for 60 years.

### What is notable and/or unique about this project?



As with all of NDHC's Low Income Housing Tax Credit (LIHTC) developments in Central Park, NDHC will provide an on-site case manager, in collaboration with service providers, to implement healthy living and wellness programs such as self-development education, educational youth programs, after-school tutoring, nutrition classes, healthy cooking, gardening classes, access to food banks, job training, resume development, mental health services and financial literacy classes. This project will be deeply affordable to a wide range

of households with 87% of the units available to residents under 50% AMI. Additionally, the high proportion of two and three-bedroom units (80% of the total unit count) will provide much needed family-sized affordable housing opportunities.

### How will the city's funds be used?

The city's investment will support the soft and hard costs associated with the construction. The construction of the Central Park II Apartments is anticipated to be completed in January 2023.

### How is the city's investment structured?

Estimated Project amount: \$20,964,451

The terms of the city's proposed investment are detailed as follows:

- Principal amount of \$1,665,000
- Interest rate of 0%
- Performance loan
- Term of 60 years from the execution of the Promissory Note

**What challenges or barriers has the project faced/does it currently face?** While the pandemic has brought several challenges to the development and construction industries, by working with the same design development team that has successfully completed three other projects together in Central Park and being the only non-profit that has a studio that specializes in architecture, urban planning, and construction management, Central Park II and Central Park III Apartments have been able to establish a solid synergy as a direct result of this cohesive team and developing both



Central Park II and Central Park III Apartments simultaneously. This design development team, made up of the architect, contractor, lender, and tax credit equity investor, has allowed these projects to move at a quicker pace, going from tax credit reservation to construction start in only 7 to 8 months. Facing challenges relating to construction materials, financing, and review times, this team has had to adapt in order for these projects to come to fruition. The shortages of construction materials have caused lengthening lead times and delays in nearly all sectors of the industry. This has led to the development team providing, in some cases, early notices to proceed so that the contractors can procure materials and lock in costs without affecting their schedule or budget. This subsequent rise in material prices, has resulted in the developer refining their scope of work to accommodate the stricter budgets. The developer has

achieved this by working collaboratively with the general contractor and architect from the initial design to completion, keeping costs down without sacrificing quality. They have also alleviated challenges in completing the permitting on schedule by consistently working directly with the City of Denver, Community Planning and Development, the Deputy Planning Director, the Development Projects Manager, and the Senior Development Project Administrator, to receive permit review comments on time, ensuring that the projects will close as scheduled. This was extremely important given that they needed to lock in interest rates, which are expected to rise in the new year, for the projects to be feasible. Their negotiations of lower interest rates, higher tax credit equity pricing, and the increase in rent prices from 2020 to 2021, helped the team to offset the higher construction costs caused by the pandemic.

**How will the city's proposed investment contribute toward the goals established by HOST's Five-Year Strategic Plan?**

HOST's five-year strategic plan calls for the creation or preservation of 7,000 ownership and rental homes and a reduction in housing cost-burden among low- and moderate-income households to 51%. Central Park II Apartments will increase the supply of affordable homeownership units by 90 units, all of which will be affordable to households earning at, or below, 60% of the area median income. Another goal of the strategic plan is to increase the number of three or-more bedroom units, suitable for families. Forty percent, or 36, of the units in Central Park II will be three bedrooms. Finally, the City Covenant will secure the affordability of these units for at least 60 years, providing long-term affordability for this development.

---

**For more information or to schedule a 1:1 briefing from HOST on this project:**

Adam Lyons, HOST Housing Opportunity, [adam.lyons@denvergov.org](mailto:adam.lyons@denvergov.org), 720-913-1766

Debra Bustos, HOST Housing Opportunity, [debra.bustos@denvergov.org](mailto:debra.bustos@denvergov.org), 720-913-1557

Elvis Rubio, HOST Government & Community Affairs, [elvis.rubio@denvergov.org](mailto:elvis.rubio@denvergov.org), 720-913-1688